

CITY OF PHILADELPHIA  
PHILADELPHIA WATER DEPARTMENT PRESENTATION  
RATE BOARD HEARING

\* \* \*

Friday, April 20, 2018  
MINUTES OF FORMAL MEETING

\* \* \*

LOCATION: City Council Chambers- City Hall  
1400 John F. Kennedy Boulevard  
Room 400

REPORTED BY: Alice Mattes, Court Reporter

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HELD BEFORE: NANCY BROCKWAY - HEARING OFFICER

SONNY POPOWSKY - CHAIR

TONY EWING - BOARD MEMBER

RASHEIA JOHNSON - BOARD MEMBER

ALSO PRESENT:

DEBRA McCARTY, COMMISSIONER  
JOANNE DAHME, MANAGER OF PUBLIC AFFAIRS

\* \* \*

1  
2 HEARING OFFICER BROCKWAY: All right,  
3 we'll get started. This is a public hearing  
4 of the Philadelphia Water Sewer and Storm  
5 Water Rate Board. As you know, the Rate  
6 Board sets rates for the Water Department.

7 Excuse me. My name is Nancy  
8 Brockway. I'm the Hearing Officer hired by  
9 the Board to conduct hearings. With me are  
10 three members of the board, the Chair,  
11 Sonny Popowsky, Miss Rashiea Johnson, and  
12 Tony Ewing.

13 What we do with these hearings is we  
14 let the Department give a short  
15 introduction as to why it thinks it needs  
16 the rate increase. There is a  
17 representative here of the public, the  
18 consumer advocate, and he will come up and  
19 give a short discussion of what the  
20 consumer advocate is thinking are ways that  
21 that could be pulled back, be less,  
22 whatever. And then we're going to have  
23 comments from the public.

24 What I'm going to do is, I have the

1 sign-in sheets. We only have three people  
2 who signed up. So we're going to ask I  
3 think first if there are any other public  
4 officials who would like to speak, and then  
5 I'm just going to go through the list in  
6 order. Once I've gone through the list of  
7 people who said yes, then I'm going to open  
8 it up and ask if there's anybody who now  
9 would like to speak.

10 Where are people going to speak,  
11 actually?

12 MS. DAHME: Right here.

13 HEARING OFFICER BROCKWAY: Okay.

14 So if you will, if you can, come to  
15 the table. And, also, I'm going to remind  
16 everybody several times to please state  
17 your name and spell it. Actually, the  
18 handwriting today is very good. We've had  
19 problems.

20 Okay. Well, without further ado, the  
21 Commissioner of the Water Department is  
22 going to introduce the Water Department's  
23 presentation.

24 MS. McCARTY: So good morning. It's

1 good to see the folks that did come out  
2 today. Good to have you. The Water  
3 Department works very hard to make sure that  
4 our rates are as affordable as possible.  
5 And it's good to see the public engaged.

6 \* \* \*

7 (Whereupon, a brief interruption  
8 occurs.)

9 \* \* \*

10 MS. McCARTY: So good morning. It's  
11 great to see everybody that's come out to  
12 learn about why we need a rate increase.  
13 And I want to make sure that folks are aware  
14 that on the side here we do have staff  
15 ready, willing, and able to address any  
16 issues you may have with the new billing or  
17 otherwise. We always look for opportunities  
18 to -- when we're with the public, to ask the  
19 public to share information and also assist  
20 in any way we can.

21 So without further ado, I would like  
22 to introduce Joanne Dahme, Manager of  
23 Public Affairs, for a brief presentation.  
24 Thank you.

1 MS. DAHME: Good morning, everybody.  
2 Thank you for being here this morning. And  
3 good morning, Councilwoman. Thank you for  
4 being here representing City Council.

5 What I'm going to be doing is just  
6 providing a brief overview of Water  
7 Department services, and then talk about  
8 the reasons for the proposed rate increase.

9 So the Water Department is a City  
10 department. It's also a public utility.  
11 We are a not-for-profit utility. That  
12 means that we need to increase rates. The  
13 money that will be recovered goes 100  
14 percent towards our operating and  
15 maintenance costs. We take a lot of pride  
16 in assuring that our services meet the  
17 needs of our customers. And so our goal is  
18 to always make sure that the public rates,  
19 that we need to maintain a really good  
20 operating system.

21 The public health is our top  
22 priority. And we have a lot of pride in  
23 our unblemished record of providing safe  
24 and healthy drinking water. We are able to

1 do that, because we have a really robust  
2 water infrastructure system, which includes  
3 three water treatment plants at every 3000  
4 miles of main. And the people who are  
5 behind these facilities are operating them  
6 24/7 in order to ensure that we always meet  
7 our goals of top quality customer service.

8 Our rivers are our drinking water  
9 sources. And we have a commitment to  
10 ensuring that our wastewater treatment  
11 facility cleans and treats the water and  
12 returns it back to the Delaware River  
13 cleaner than the quality that it was when  
14 it was withdrawn from the river for  
15 drinking water purposes. We are able to do  
16 that, again, because we do have a really  
17 robust system. And our three wastewater  
18 treatment plants are award-winning, because  
19 they always have that top quality  
20 (unintelligible), which means how well they  
21 clean the water per to obligation.

22 Our stormwater infrastructure. So  
23 the stormwater management component is  
24 really the most challenging for the

1 Philadelphia Water Department. Other  
2 utilities around the country are  
3 responsible for managing stormwater. As we  
4 know, stormwater is the major route to our  
5 water base. Being our capital budget is  
6 approximately 25 percent to include storm  
7 components as a management program we have  
8 behind that. You may remember our Green  
9 City, Clean Waters Program. That's one of  
10 our more popular programs, the one that the  
11 public recognizes, where we are looking to  
12 use rainstorm or infrastructure to capture  
13 the first one and a half inches of the  
14 rainwater to provide additional capacity in  
15 our robust sewer system. It's a 25-year  
16 program, but it can be a separate program.  
17 In part we're always looking to reduce the  
18 cost of that.

19 But, again, stormwater is one of the  
20 greatest challenges across the country and  
21 for the Water Department. But we're  
22 looking to see in a way that is providing  
23 additional amenities to the community for  
24 this green approach.

1                   So what do you see in the monthly  
2                   bill? So I talk about the Water Department  
3                   being an integrated department. We provide  
4                   water, sewer, stormwater services. So when  
5                   you get a monthly bill our hope is people  
6                   take a look at that bill so you see what  
7                   you're paying for. The water components  
8                   for that water treatment is distribution;  
9                   the wastewater component is for the sewer  
10                  collection. And for the treatment of that  
11                  wastewater, the stormwater management  
12                  component, we have residential fees, which  
13                  pay for a flat fee based on size of  
14                  property. And then there's the commercial,  
15                  the non-residential fee, which is based on  
16                  the size of the property, how  
17                  (unintelligible) your property is, again,  
18                  related to the cost of service, what we are  
19                  treating, because your property is shedding  
20                  that amount of water. And then the service  
21                  charge, which includes your billing and  
22                  collections component.

23                  So why you're all here. Why do we  
24                  need a rate increase? So essentially we

1           have a number of drivers. We have our  
2           pipes and plants, and we would like to  
3           (unintelligible) to you the most recent  
4           challenge in which we have. We've had over  
5           650 water main breaks between December and  
6           February due to extreme cold weather. It  
7           was not just the cold, but there were aging  
8           mains, and we have vulnerable systems. And  
9           one of the goals is we have to sort of step  
10          up our water main replacement rates. So  
11          over the next five years we're looking to  
12          do that from 28 miles a year to 40 miles a  
13          year, just to ensure we have safe and  
14          reliable service.

15                 We also need to -- we are also  
16          looking to increase our sewer replacement  
17          rate by 2 miles a year, in addition to  
18          expanding our wastewater treatment  
19          facilities that can manage more stormwater  
20          as we collect that and bring it to the  
21          plant. We also will upgrade our water  
22          treatment plants, because we want to make  
23          sure we're always making safe drinking  
24          water our quality goal.

1           As any good business or utility,  
2           where people -- by people, I mean, manned  
3           by people. The people keep our systems  
4           operating, making emergency repairs, they  
5           operate our plants 24/7, they're monitoring  
6           our water quality. But with people there's  
7           cost. There's pensions, there's benefits,  
8           there's salaries.

9           Reduced consumption. So we see this  
10          trend essentially across the nation. Over  
11          the last ten years water conservation  
12          devices have become really popular in  
13          people's homes. People are using less  
14          water. But we have a safe infrastructure  
15          in place to provide that water. So when  
16          the repeated consumption goes down that  
17          means that unit costs of water will  
18          increase.

19          Over the past four years we have seen  
20          in Philadelphia about a 75 percent decrease  
21          in water consumption. And for this  
22          proposed rate case that equates to about  
23          11 million dollars in potentially lost  
24          revenue.

1           And, lastly, the environmental  
2 regulations. That's part of our Safe  
3 Drinking Water Program and other programs  
4 we have in place to manage stormwater to  
5 treat drinking water. That is a variety of  
6 costs. It's an obligation. We're required  
7 to do that by the State and by the EPA. We  
8 certainly recognize once you do these  
9 things our goal is always to balance  
10 affordability with our environmental  
11 obligations.

12           So the Rate Board. Nancy introduced  
13 the Rate Board. The Rate Board was  
14 established by City Charter in 2012. City  
15 Council then passed an ordinance. The Rate  
16 Board has heard one proposed rate case to  
17 date. This is the second one. The Rate  
18 Board plays a really important role, as the  
19 public does. They evaluate our financial  
20 plans, they evaluate the information that  
21 we provide to document why we need these  
22 proposed rates. They also take a -- they  
23 look and evaluate all of the public  
24 comments and the work that Community Legal

1 Services, who's the public advocate, does  
2 on the public's behalf.

3 The process itself, so we announce  
4 the intent to increase rates for March for  
5 the public comment period through April and  
6 May. A decision from the Rate Board should  
7 come in July. And then if all goes as  
8 planned, we see the rate increase, the  
9 first phase of that, September 1st of 2018.

10 But we'd also like to emphasize that  
11 we, the Water Department, really do want to  
12 hear from the public. It's really  
13 important that we know about what our  
14 costumers are thinking about. When they  
15 testify at rate cases, when they call us  
16 and fill out surveys, we get information  
17 that we understand where we need to do  
18 that, what programs and services we need to  
19 provide.

20 As a result of the last rate case  
21 we're working with Community Legal Services  
22 and Councilman Sanchez. We did institute a  
23 new customer assistance program called our  
24 Tiered Assistance Program we have. And

1 I'll talk about that in the next slide.

2 We also have recently merged our  
3 Water Department and Water Revenue Bureau  
4 call center. We have heard our customers  
5 for many years have had difficulties  
6 getting through on the phones, and that  
7 they were being tired of being transferred  
8 from a billing call and they went to the  
9 wrong department. We have physically  
10 merged and we are in the process of  
11 cross-training so that we are able to do  
12 what we call first-call resolution,  
13 somebody calls, they get a representative  
14 who can give them the information they  
15 provide, and provide that service.

16 We're always looking to improve  
17 language accents. Our call centers have  
18 always had the ability to do translation by  
19 talking into another service. But we are  
20 expanding that ability to our field service  
21 personnel, our construction staff, and we  
22 are always looking to provide our  
23 information, what we post on the website,  
24 publications, documents in Spanish, and we

1 provide other languages as requested.

2 And lead service line. So at the  
3 last rate increase there was a lot of  
4 concern about lead coming from home  
5 plumbing that can get into drinking water.  
6 We have instituted a program where we  
7 apply -- we enable people to get free lead  
8 service line replacements during the water  
9 main replacement on the street. We also  
10 provide a zero-interest loan for those  
11 people who are now going through a water  
12 main replacement.

13 And the last piece of tenants and  
14 occupants customer application. We've been  
15 working with Community Legal Services to  
16 make that process easier. We're also  
17 taking the next step to ensure that tenants  
18 who become water customers can also take  
19 advantage of our TAP program.

20 So our Tiered Assistance Program. We  
21 are really excited about this program. We  
22 think it meets a lot of the needs of our  
23 customers. The program is really targeted  
24 in customers who are between zero and 150

1           percent of the Federal poverty line. This  
2           program is -- provides a customer with a  
3           monthly water bill that is based on their  
4           income that they can afford versus based on  
5           their usage. So they will have a monthly  
6           bill that does not change.

7                     For customers that are between 0 and  
8           50 percent of the FPL, they would be  
9           getting a bill as low as \$12 a month. The  
10          proposed rate increase will not impact  
11          customers during the TAP program. Again,  
12          they stay on that bill, that monthly bill  
13          that they can afford.

14                    Application process is -- we hope  
15          that it's fairly easier. We're trying to  
16          make sure we get information out there to  
17          the public. You can mail the application,  
18          you can go online, fill it out online, or  
19          download it, or you can call and ask for a  
20          copy. It's a one-stop shop.

21                    So we heard concerns about what  
22          happens to senior citizens discounts. We  
23          have the one application for senior  
24          citizens discount, hardship, all low

1 income. So it's a one-stop shop. We want  
2 people to fill out the application. We  
3 determine which program is the best for  
4 them. And you do not need to be  
5 delinquent. That's the other thing. In  
6 past programs you had to be already owing  
7 us some money. And for this program you do  
8 not. So we're looking to help customers  
9 before they get to that point.

10 So what would a typical bill look  
11 like if the Water Department's proposed  
12 rate increase went into place?

13 So today customers are paying  
14 approximately \$66.50 on their monthly bill.  
15 That's for a typical customer who's using  
16 500 cubic feet per month, which is about  
17 3700 gallons per month. The proposed  
18 increase would be a three-year abatement.  
19 We're looking to recover 116 million  
20 dollars over the next three years. That  
21 fee would be a one-percent increase this  
22 coming September. September of 2019 you  
23 will see a 5 percent increase, and the  
24 following September you'll see a 4.5

1           percent increase. When the phase is  
2           completed that would equate to about a  
3           seven-dollar increase on that customer's  
4           monthly bill.

5           So one of our goals is also to make  
6           sure that customers have a really good  
7           opportunity to see what we do, to get  
8           behind the scene to understand our  
9           services. We recently had an open house at  
10          our Southeast Wastewater Treatment Plant  
11          last Saturday. This Saturday we have one  
12          in our Stormwater Treatment Plant. Still  
13          trying to sign up? If you're interested in  
14          taking a tour you'll really get a good  
15          sense of what's involved with the water  
16          treatment process and how complicated the  
17          process is. But you're also going to meet  
18          a lot of department employees from other  
19          units, and you'll really get a sense of the  
20          dedication and passion the people have for  
21          the work that they are doing.

22          And the public's role. So the rate  
23          process is extremely important that people  
24          participate, we hear from the public.

1           There's a lot of ways to do that.  People  
2           are testifying today.  You can send a  
3           letter to the Rate Board.  You can e-mail  
4           the Rate Board.  But, again, the Rate Board  
5           and the Water Department does want to hear  
6           from people, 'cause that's the only way we  
7           learn your perspective on how well we are  
8           doing.

9                     And hopefully as you came in you took  
10           a survey.  So we have instituted surveys  
11           over the last three years with a number of  
12           issues, looking at how well we're doing on  
13           our call center, where our construction  
14           impacts are, what do you think about water  
15           quality.  We want to hear from customers,  
16           so we're asking that people take the  
17           surveys and then drop them off at the  
18           table.  And we use that as a means to  
19           continually improve our programs, to make  
20           sure we provide the best quality service.

21                     And I think I am handing this off  
22           to...

23                     MR. BALLENGER:  Good morning.  Thank  
24           you all for being here.  Could I just get a

1 show of hands how many people in the room  
2 plan to come up here and participate in  
3 public input.

4 Okay, so we got a small group. But  
5 hopefully we'll see more folks come in.

6 Thanks for being here to bring your  
7 attention to support the case. My name is  
8 Robert Ballenger. I'm an attorney at  
9 Community Legal Services, and we're  
10 providing service here as the public  
11 advocate representing the interests of  
12 approximately half a million residential  
13 and small commercial customers in this  
14 case.

15 We've prepared a flier, and it looks  
16 like this, and this is the location of this  
17 hearing as well as the future hearings.  
18 And there's some of the major policy issues  
19 in this case. We have copies of that  
20 available. My colleague, Joline Price, is  
21 in the audience. She has those. And we  
22 encourage you to take a look at that.

23 We really want to encourage everyone  
24 who wants to speak up to speak up. The

1 City and the Water Rate Board should hear  
2 your input in this case. The Water Rate  
3 Board will make a decision on whether or  
4 not your rates should go up.

5 So in this case the Water Department  
6 is asking for 116 million dollars more in  
7 rates. That would be phased in over three  
8 years. And if the request is approved,  
9 your bills will go up, on average, between  
10 87 and 95 dollars per year at the end of  
11 that rate increase. This represents an 11  
12 percent increase. And one of the questions  
13 that we always think of to the public is  
14 how many of us can expect our incomes to go  
15 up by 11 percent.

16 In this case the rate increase should  
17 not be approved unless the Water Department  
18 can meet the constitutional based legal  
19 standard that rates be just and reasonable.  
20 We're working with a team of experts who  
21 are examining the financial figures  
22 provided by the Water Department and the  
23 thousands of case assumptions the Water  
24 Department uses to calculate its request.

1           And there are, as I mentioned, several  
2           large policy issues, which I'd like to just  
3           briefly mention to you.

4                     The first one is that the Water  
5           Department wants customers to start paying  
6           8 million dollars more per year for public  
7           fire protection service. That's water used  
8           by the fire department to fight fires. But  
9           it doesn't go through your meter. It's not  
10          water that you may use. In fact, it serves  
11          the public's purpose, but not the purpose  
12          of delivering water to your homes.

13                    The Water Department also wants you  
14          to pay an additional 12 million per year to  
15          finance directly its construction projects.  
16          And those projects, they benefit customers  
17          for years and decades to come, but they  
18          want that additional money through current  
19          customer rates.

20                    In addition, there's an issue, of  
21          course, about how much they're using the  
22          existing reserves to fund those types of  
23          projects. So we believe there's an  
24          advocate there as well.

1                   Finally, the Water Department wants  
2                   an additional 10 million dollars on top of  
3                   the 15 million dollars already approved in  
4                   rates each year for grants to commercial  
5                   customers and developers who construct  
6                   green stormwater infrastructures that helps  
7                   keep stormwater out of the City sewers.  
8                   That's a substantial increase. We have  
9                   concerns about whether customers should  
10                  bear that increase at all as well as in  
11                  that magnitude all at once.

12                  At the same time, as Joanne  
13                  mentioned, there's a new program called the  
14                  Tiered Assistance Program, to provide  
15                  affordable water bills. That program began  
16                  in July of 2017 after the Board approved it  
17                  in the last rate proceeding. If you need  
18                  assistance with your water bills and do not  
19                  receive an affordable bill, that's  
20                  appropriate and it should be available to  
21                  you. And you should let the Board know  
22                  whether or not you have heard about that  
23                  program, whether you had difficulty signing  
24                  up or enrolling in that program, or whether

1           you've had any other barriers to getting  
2           affordable water bills.

3                       Finally, we have some concerns about  
4           the way the Department chooses its  
5           assumptions on what it needs you to pay.  
6           Its projections are always very  
7           conservative, and year after year we see  
8           that the Department's projection of  
9           revenues are understated, projected  
10          expenses are overstated. That contributes  
11          to a large surplus of funds, approximately  
12          200 million dollars in reserves that the  
13          department has not spent despite  
14          projections in the last rate case.

15                      So in other words, the Board approved  
16          rates in the last rate case, you pay more.  
17          And as we look at the department's  
18          financial condition right now it's apparent  
19          that most of that money went right into the  
20          reserves. So we expect you to have some  
21          concerns about that fact.

22                      The Board has the legal obligation to  
23          balance your interests against those of the  
24          Water Department in determining what rates

1           are just and reasonable. So as public  
2           advocate, I am here to encourage all of you  
3           to tell us what your interests are, what  
4           are your concerns about this rate hike, so  
5           that the Board can hear from you and so  
6           that we can hear from you, the public  
7           advocate.

8                       Finally, we do believe this is an  
9           appropriate forum for you to raise other  
10          concerns you may have about the Water  
11          Department and the Water Revenue Bureau  
12          based on your experience. The City may not  
13          share our view on what the Department Rate  
14          Board can do about those concerns, but you  
15          are entitled by law to participate in an  
16          open and transparent public input process.  
17          So this is your opportunity to do so.

18                      If you feel that the customer service  
19          you've been provided needs improvement, we  
20          believe you should say something. If you  
21          believe the Water Department hasn't been  
22          responsive or available and you've had  
23          issues, then you should say so. If you  
24          believe the Water Department does a great

1           job at some things and not so great about  
2           other things, we also believe you should  
3           say so.

4                     So please come forward, provide your  
5           input, share your experiences since they  
6           may be considered in this rate case. It's  
7           important for the Hearing Officer and the  
8           Board to hear that there are many real-life  
9           people in our community for whom a  
10          11-percent increase would be a real burden.

11                    So there are several additional  
12          public rates public input hearings.  
13          There's a Stormwater Fire. That  
14          information's available to you. And there  
15          are also means to give public input by  
16          writing. And I'll volunteer to speak with  
17          anyone who has concerns about doing that.  
18          If you have difficulty accessing means to  
19          provide input in writing or wish to do so,  
20          you can contact CLS directly and we can try  
21          to assist you with that process.

22                    I look forward to hearing all of your  
23          concerns. Thank you.

24                    HEARING OFFICER BROCKWAY: Thank you,

1 Mr. Ballenger.

2 At this point Councilwoman Blackwell,  
3 would you like to have -- would you like to  
4 have the floor?

5 COUNCILWOMAN BLACKWELL: Thank you. I  
6 want to thank you all for being here today.  
7 We have a public who (unintelligible) of  
8 worriment. They're worried about the rate  
9 increase. They're worried about the tax  
10 increase. And every time we go to community  
11 meetings they ask us what we're going to  
12 support.

13 So we wanted to come here and thank  
14 you all for being here to gather  
15 information on where we are and what  
16 direction you're trying to go in, so we  
17 have better information about where we  
18 should be. Thank you.

19 HEARING OFFICER BROCKWAY: Thank you,  
20 Councilwoman.

21 COUNCILWOMAN BLACKWELL: Certainly.

22 HEARING OFFICER BROCKWAY: A couple of  
23 notes before we take up public comments.

24 We have the court reporter here. And

1           one of the -- so we're taking down  
2           everything that's being said. So a couple  
3           points about that. Please spell your last  
4           name again when you come up, even if -- the  
5           handwriting today is very good. Thank you  
6           all. But sometimes we can't read it.

7                     And the other thing is that we are --  
8           we would want to do this anyway, but we're  
9           bound by ordinance to take into account all  
10          of the comments. And one of my jobs as  
11          hearing officer is to collect all of the  
12          comments and categorize them so that I can  
13          report to the Board what the comments are  
14          that are coming in, including e-mails and  
15          your comments here.

16                    I should note, sending a comment to  
17          the Water Department won't guarantee that  
18          we will get it, because we are separate  
19          from the Water Department.

20                    I think that's it before we start.  
21          The first person -- I'm just going to go  
22          down this list in order, the paper got to  
23          me in a particular order. I've got  
24          Mr. Dave Becker.

1                   And I gather if you come up to the  
2                   podium, I don't know whether the red light  
3                   is on, but that microphone should work.

4                   MR. BECKER: First off, thank you for  
5                   the opportunity to speak. My name is Dave  
6                   Becker, B-E-C-K-E-R.

7                   Is that okay?

8                   HEARING OFFICER BROCKWAY: Yes. And  
9                   your printing is beautiful, too.

10                  MR. BECKER: Thank you.

11                  So I'm on the 100 block of Monroe  
12                  Street. I've been there for five years,  
13                  and I've lived in the city for 30 years.  
14                  My street is sinking due to water and  
15                  erosion conditions. You can barely drive  
16                  down the street it's cracking in so many  
17                  places.

18                  The Water Department blamed it on 12  
19                  broken laterals and says it's the  
20                  responsibility of the homeowners. These 12  
21                  laterals connect almost 40 percent of the  
22                  homes on our block. 40 percent. Yet they  
23                  somehow all broke at the same time.  
24                  Neighbors (unintelligible) the Water

1 Department is ignoring their responsibility  
2 to fix our sinking street, which in turn is  
3 caused by a broken lateral, so we got  
4 Councilman Squilla involved.

5 The first Water Department employee I  
6 met with was a foreman who came to our  
7 street to run tests, and she said, The  
8 street is definitely sinking, but you're  
9 going to have to sue us to get anything  
10 done.

11 Over the next six months I would  
12 interact with the chief water engineer, the  
13 general manager of public affairs, deputy  
14 water commissioner, and the water  
15 commissioner. And I could say with  
16 confidence that the foreman gave me the  
17 best advice.

18 The first test how the Water  
19 Department revealed two lateral issues in  
20 the middle of the block somehow sinking the  
21 entire street. We asked for the Water  
22 Department to reinvestigate. The chief  
23 water engineer came out to take a look and  
24 he said "Wow, I need to get out of the

1 office more often." And then suddenly four  
2 more broken laterals, including my own. I  
3 literally felt bullied by the Water  
4 Department. Boreholes to look for voids  
5 which are under the street, they were left  
6 open for weeks, making these issues worse.  
7 When we complained, the boreholes were  
8 repaired a day later after products fell  
9 through, letting water in again. From  
10 there at Councilman Squilla's urgency, the  
11 Water Department paid \$10,000 for  
12 consultants to run around the community  
13 radar spouts to explain the reason for our  
14 street sinking. The report cannot show  
15 that laterals were the issue. In fact, the  
16 report showed most of the issues weren't  
17 even near laterals.

18 When presented with this report, it  
19 was ignored by the deputy commissioner.  
20 She said, quote, It never should have been  
21 done in the first place.

22 Councilman Squilla has tried to help  
23 us. He says things like, quote, The street  
24 has waited long enough. And, quote, I will

1 support the City paying for these repairs.

2 But the Water Department doesn't  
3 care. Their leadership team doesn't care.  
4 You can't even find a list of their  
5 leadership team on the website. Where you  
6 look up -- when you try to look up any of  
7 them on LinkedIn, you won't find them.

8 Forty percent of the laterals on our  
9 block are broken, and they don't care. So  
10 to me it seems that they don't care about  
11 the customers, but they do care about  
12 money. If you look at their next position  
13 over the last two years, it's actually gone  
14 up by 14 percent, yet they are asking for  
15 an additional raise of 11 percent.

16 So from my perspective, water revenue  
17 is increasing, customer service is  
18 decreasing, yet the Philadelphia Water  
19 Department wants a raise. My  
20 recommendation: No new revenue until you  
21 fix the customer service issues. Thank  
22 you.

23 \* \* \*

24 (Applaud.)

\* \* \*

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HEARING OFFICER BROCKWAY: Thank you.

Next I've got Cara or Cora Turpin.

MS. TURPIN: Can you hear me?

HEARING OFFICER BROCKWAY: Yes, ma'am.

MS. TURPIN: I know that you are a part of the City of Philadelphia, and this is addressed in very general terms.

I am Dr. Cora Turbin. I was a public school science teacher for the City of Philadelphia for over twenty years. I am a resident of Northern Liberties Community. My voluntary services have included, but are not limited to, patrolling Philadelphia streets during the '70s riots with the Crisis Intervention Network; picketing with the State Representative, W. Curtis Thomas, to remove nuisance bars from the Northern Liberties Yorktown area; working with cleanup groups to clean the community, which was in 1977 the community reaped disrepair with rags hanging out of buildings that had been abandoned; helping to establish community gardens, like the

1 Youth Garden at 9th and Poplar, and working  
2 with Vivian Van Story on the west side of  
3 Broad Street to help mini gardens be  
4 established; paying schools,  
5 (unintelligible) notices on water drainage  
6 outlets that was on route projects; and  
7 doing community person work in Northern  
8 Liberties for over thirty years.

9 I say that because I am a  
10 representative of the elderly population of  
11 the city, who has been working over the  
12 years to improve the city. It is  
13 unconscionable what the City of  
14 Philadelphia is doing to its elderly, who  
15 have settled in the city and making it a  
16 desirable place to live.

17 When I bought my home it was about  
18 five years after you offered five dollars  
19 if you stayed in the building for five  
20 years, and that was your residence. That's  
21 how bad off we were. I was also a resident  
22 at the time when gang violence was chasing  
23 people out of the city.

24 In response to what the elderly have

1 done to create the desirable city  
2 (unintelligible), which I can tell, because  
3 people are now moving into Northern  
4 Liberties in great numbers. The City has  
5 instituted the AVI that raised property  
6 taxes five, ten times what they used to be.  
7 They gentrify neighborhoods with expensive  
8 homes and houses. And they continue to  
9 increase the taxation for the homeowners in  
10 the older homes while the new home  
11 developers get ten-year abatements. You've  
12 increased PECO rates, you've increased PGW  
13 rates, and now you want to increase water  
14 rates again.

15 This is at a time when the elderly  
16 are on a fixed income with high medical  
17 expenses that continue to escalate and  
18 reduce investments and shavings as a result  
19 of that 2008 recession that took monies  
20 from our retirement plans.

21 The relief offered by the City is  
22 laughable. There is a \$23,500 income  
23 ceiling for the property tax release in  
24 neighborhoods where homes are selling for

1 over a half million dollars. There's only  
2 a \$250,000 youth benefit redemption that's  
3 virtually meaningless in these high-cost  
4 neighborhoods. The income ceilings are so  
5 low for other benefits that if you had a  
6 decent job you qualify only for a SEPTA  
7 pass.

8 I'm one of these people who goes to  
9 all of these workshops that our elected  
10 officials have for seniors. And I pick up  
11 all this information and find that people  
12 who are middle income are eligible for  
13 nothing. That includes medical  
14 prescriptions.

15 Now the Water Department, I have  
16 learned, has eliminated their senior  
17 discount program for all intents and  
18 purposes for people of the middle class.  
19 It is only half of the elderly population  
20 of this city that I'm asking you to freeze  
21 the water increases for everyone over 70  
22 years of age, regardless of income. And  
23 the reason I say regardless of income is  
24 because like me, some have been retired for

1           20, 25 and 30 years. All the expenses have  
2           gone up. We are struggling to maintain  
3           that standard of living that we worked so  
4           hard to achieve in our youth. And we are  
5           finding it impossible.

6                     Will you allow us to maintain some  
7           quality of our lives in the face of  
8           inflation? Increased medical costs,  
9           maintain taxed aged homes -- see, we get no  
10          abatement -- that need repair, and having  
11          to pay for services that we are no longer  
12          able to perform for ourselves. There is no  
13          affordable safe place in this city for us  
14          to go.

15                    Please do not add another expense to  
16          an already struggling segment of your city  
17          population. Thank you for listening.

18                    HEARING OFFICER BROCKWAY: Thank you  
19          very much.

20                    I have a Mo Zerban.

21                    MR. ZERBAN: How is my handwriting?

22                    HEARING OFFICER BROCKWAY: The only  
23          thing that was a trouble for me was I  
24          couldn't tell whether it was M-O or M-A.

1 MR. ZERBAN: M-O. And last name is  
2 Z-E-R-B-A-N.

3 HEARING OFFICER BROCKWAY: Oh,  
4 Z-E-R-B-A-N. Mr. Zerban, please.

5 MR. ZERBAN: Mr. Zerban, yep.

6 So I have been resident of  
7 Philadelphia. I lived here for the last  
8 six years. I used to actually work for the  
9 Water Department previously as well. I no  
10 longer do. And it was a very interesting  
11 experience.

12 And, well, I see you guys have a nice  
13 little water cooler over here, which is a  
14 very good idea. Most people drink bottled  
15 water right now. It comes from a drastic  
16 fee of water -- how contaminating the water  
17 could be in -- coming out of our tap.

18 So -- and, also, I am founder of TURN.  
19 It's a company here in Philadelphia that  
20 folks (unintelligible) as well, just for  
21 reference.

22 But I think one is ten percent of  
23 fees that they propose over the last -- the  
24 next three years, which is very, a very

1 high increase compared to any national  
2 standards (unintelligible) for standard,  
3 matter of fact. And compared to economical  
4 background it's going to be interesting how  
5 this all plays out.

6 But I think as mentioned earlier,  
7 this is going to be something, a great deal  
8 of hardship, I would say, for most people.  
9 And as the water commissioner will  
10 sometimes have mentioned to me personally  
11 is that the Water Department aims to be  
12 more affordable, but this is quite opposite  
13 of that.

14 But more importantly is the -- I  
15 immensely think that if there would be a  
16 water increase there needs to be a lot more  
17 data. The Water Department  
18 (unintelligible) hundreds of reports very  
19 low amounts of data on anything, but they  
20 also state fundamentally to only what they  
21 need to do with the EPA. That's something  
22 they told us personally time and time  
23 again. Oh, we'll only do this if the EPA  
24 requires or we only do this because the EPA

1           says so.

2                     Fundamentally, I think the EPA is an  
3           item of fluctuation in terms of just rules  
4           and regulations. And I think some people  
5           like water, that people depend on on their  
6           health should not be just based on that.

7                     So many different ways the water  
8           contaminations unreported by the City that  
9           report annually that are not reported on  
10          how water is actually in the homes, but  
11          more or less how water is coming out of the  
12          tap, which is a very low and very  
13          inaccurate way of representing how the  
14          water quality is.

15                    Now, another thing is lots of people  
16          have tested their water main. Some have  
17          bad, some had good. But fundamentally when  
18          they go back to the Water Department, the  
19          Water Department tells them that they don't  
20          own pipeline between main and curb, I  
21          think. That's not my business. I'm not  
22          very sure what it is exactly. But if that  
23          is what's bad, then they don't really know  
24          what's bad, then what will be fixed?

1            Things like pyro plastics and other  
2            contaminants that have had a widespread of  
3            presence, not just -- you know, not just  
4            here, everywhere in the country, but,  
5            again, they don't test for it. Why, I'm  
6            not very sure.

7            I think they're trying to  
8            (unintelligible) of that what's  
9            fundamental. I think both the users that  
10          they say people is a big part. Well, if  
11          people were to be a big part, the people  
12          themselves need to get a good understanding  
13          of the levels of what the water is really  
14          like. And the public needs to better  
15          understand where these funds may or may not  
16          go to, and how things like contamination,  
17          how things like services do actually move  
18          on the long run. Thank you very much.

19                            \* \* \*

20                            (Applaud.)

21                            \* \* \*

22            HEARING OFFICER BROCKWAY: Coming  
23            close to the end. I've only got one more on  
24            the speak list. And that's Salima Ellis.

1 MS. ELLIS: Good morning.

2 HEARING OFFICER BROCKWAY: Good  
3 morning.

4 MS. ELLIS: Last name is spelled  
5 E-L-L-I-S.

6 Good morning to everyone and also our  
7 public. I just want to say I've lived in  
8 Philadelphia for 56 years and I too will be  
9 becoming a senior soon. And I am  
10 frightened because I lost my job. I have  
11 cared for seniors, I've cared for children  
12 in the school district.

13 Also, my main concern is how will  
14 this affect my children and grandchildren  
15 in the future? I am a homeowner in my  
16 neighborhood, which I do love, and I care  
17 for my neighborhood. I was co-block  
18 captain. But I'm presently not co-block  
19 captain anymore, but I do take care of the  
20 concerns in my neighborhood.

21 Also, my main concern is after  
22 watching what happened in Flint, my concern  
23 is about that. Because this rate hike is  
24 going up. I only have really my husband's

1 income. And as far as the middle class, I  
2 don't see any -- what's the word? I don't  
3 see any assistance for the middle class. I  
4 could never get any assistance while  
5 raising my children. I couldn't hardly get  
6 any assistance as far as saving for a  
7 retirement and struggling for my children  
8 to go to college or graduate.

9 But my main concern is I used to buy  
10 bottled water. I stopped buying bottled  
11 water, because of pollution and  
12 contamination and bottles being thrown in  
13 our ocean, in our rivers.

14 And I'm really concerned about if  
15 this rate hike goes up, are we paying for  
16 the damages that -- as far as the pipelines  
17 that are damaged every time we go through a  
18 season, a cold season or a brutal season of  
19 the weather, are we paying for those  
20 damages as a customer?

21 The customer service here really is  
22 bad. I even heard this over a radio  
23 announcer when she moved here in  
24 Philadelphia, and she was saying how she

1 was treated.

2 Also, you can never get to their  
3 phone lines. I think that the payment plan  
4 that they have, when I try to address my  
5 situation in a hardship, I don't think it  
6 would benefit me, because my bill would  
7 have increased and then I would have got a  
8 bill maybe from 60 dollars a month or 70  
9 dollars a month to maybe a thousand, and  
10 then how would they let it get that far?  
11 And how would I be able to pay that back?

12 Also, I just wish that they would be  
13 more concerned about how we work so hard to  
14 take care of our families to stay in a city  
15 so that we will not have to move out of our  
16 neighborhoods, and to protect our  
17 neighborhoods and to pay for our homes and  
18 to live in our homes and to live our legacy  
19 to pass it down to our children.

20 And I see a lot of families are  
21 moving out of Philadelphia more than they  
22 are visiting Philadelphia. And I -- excuse  
23 me. I love living in Philadelphia. I love  
24 the history that we have. And I just want

1 the people to -- I just want our  
2 law-abiding citizens and our politicians to  
3 care for us instead of just taking from us  
4 all the time. You guys work for us. We  
5 need you. We voted for you. And we need  
6 you.

7 We got an election coming up now and  
8 this has to stop. We're going -- we're  
9 going down. We're not going up. Our  
10 education system is failing us. Our  
11 children are losing hope. And I just want  
12 y'all to care more for our citizens in  
13 Philadelphia. Bring 'em back home, that's  
14 all I have to say.

15 \* \* \*

16 (Pause.)

17 \* \* \*

18 HEARING OFFICER BROCKWAY: Thank you  
19 very much. That's all we have as far as  
20 people who have indicated that they would  
21 like to speak.

22 But is there anybody -- is there  
23 anybody else who would like to make a few  
24 comments or?

1 Ma'am.

2 MS. SWANSON: Good morning. Actually,  
3 I think I do have a loud enough voice --

4 HEARING OFFICER BROCKWAY: No.  
5 Unfortunately, it's very helpful for us to  
6 have you speak into the mic, because it  
7 helps us get an accurate record.

8 MS. SWANSON: My question -- I'm  
9 Sandra Swanson. I was at the Free Library  
10 last Monday morning from 10:00 to 12:00. I  
11 think you may recall that there were so few  
12 of us there. And it had rained that  
13 morning. And so the small section that  
14 showed up was very grateful for it.

15 I've also lived in the City of  
16 Philadelphia now for over forty years up at  
17 17th and Green. And I was a block captain,  
18 and I still am a considered a block captain  
19 in a sense that I don't need a title. But  
20 we should all clean up. And we were all  
21 there this past weekend. And one of the  
22 biggest concerns we were talking about,  
23 besides all the trash on the street that we  
24 were cleaning up, was the Water

1 Department's wanting to raise our water  
2 bills for the second time in what we  
3 believe is over two years.

4 So when I was here or up at the Free  
5 Library last Friday morning, my question  
6 was very simple. Raises you say in your  
7 literature are for the future. You talk  
8 about the plants and the pipes, the  
9 reservoirs and storm drainage control and  
10 management. And my question is, why  
11 haven't you considered a bond or a grant?

12 Now, I asked this question last  
13 Monday morning and someone, it was  
14 indicated, would get back to me with an  
15 answer. And no one has. And so I came  
16 back down here today with the idea of maybe  
17 one of you might willing contribute why  
18 this isn't a bond issue. Why is it always  
19 coming back to the taxpayer to pay more?  
20 That's my question.

21 HEARING OFFICER BROCKWAY: Thank you.  
22 I should explain that a lot of people have  
23 had some specific questions like this. And  
24 I'm going to invite the commissioner to come

1 up and answer those factual questions so  
2 some of you can get an answer today. And  
3 then following that, if you want to let us  
4 know that you'd like us to explore.

5 I should make it very clear, that's  
6 not our water bottle. We are not -- I am  
7 employed and I'm paid to do what I'm doing.  
8 But the other people on the Board are not  
9 paid, and they're appointed by the mayor as  
10 separate from the Water Department. The  
11 whole point is so that the Water Department  
12 doesn't set its own rates. Somebody else  
13 has to look at it in the event, so members  
14 of the public have been appointed for  
15 people with expertise to this Board.

16 I'm only saying that because we  
17 wouldn't be the ones who would consider the  
18 bond in the first instance. But we will  
19 consider whether or not the mix of  
20 pay-as-you-go and bonding that the  
21 department proposes is producing just and  
22 reasonable rates.

23 Does that make any sense?

24 MS. SWANSON: No.

1                   HEARING OFFICER BROCKWAY: Okay. I  
2                   can talk with you afterwards. But I'd like  
3                   to at this point ask the Commissioner to  
4                   come up and go through some of these  
5                   questions. I think -- oh, there's another  
6                   speaker. I'm sorry.

7                   MS. SWANSON: I appreciate it. But  
8                   you're telling me you don't have an answer  
9                   today?

10                  HEARING OFFICER BROCKWAY: We don't.

11                  MS. SWANSON: Okay. Where do I get  
12                  the answer?

13                  HEARING OFFICER BROCKWAY: You'll get  
14                  an answer from the perspective of the Water  
15                  Department from the Commissioner of the  
16                  Water Department. They have a proposal  
17                  about how much you paid at a current --  
18                  current receipt and how much should be  
19                  covered by bonding. Okay? That proposal is  
20                  actually before the Board. So I can't tell  
21                  you what the Board is going to do.

22                  Mr. Ballenger, who spoke earlier, it  
23                  sounded as if he might have a different  
24                  opinion about that proposal of, you know,

1           how much is current (unintelligible) and  
2           how much is bonding.

3                     So he's going to present that to the  
4           Board. And whether that changes or not, we  
5           won't know until July, because that's when  
6           this Board makes its decision.

7                     MS. SWANSON: July. I think I'll be  
8           on vacation. Okay, but I'm glad to see that  
9           you'll be working. Thank you very much.

10                    HEARING OFFICER BROCKWAY: I  
11           apologize. I missed one more person.  
12           Cecile T. Mack.

13                    And am I pronouncing this right?

14                    MS. MACK: Yes.

15                    HEARING OFFICER BROCKWAY: T. Mack, is  
16           that -- it's T, period, Mack.

17                    MS. MACK: Hello.

18                    HEARING OFFICER BROCKWAY: Good  
19           morning.

20                    MS. MACK: I'm a member of ESWA,  
21           Eastern Service Workers Association. And  
22           they reported to a couple of hearings this  
23           week in our community and still have some  
24           more to go to on the 23rd. I'm not a really

1 great speaker, but I'm just here on behalf  
2 of four people who have, you know, are  
3 already struggling, you know, low income and  
4 all of that, and then they have to pay these  
5 high rates. And we're told that the water  
6 bill is going to go up 11 percent, and then  
7 even that the Water Department is charging  
8 the fire department for using the water from  
9 the fire hydrants when there's a fire. So  
10 it's just -- you know, it's just not fair.

11 So, you know, I'm here on behalf of  
12 the people who are really struggling and,  
13 you know, we're paying for stuff that's,  
14 you know, that's not fair. And then  
15 they're saying that the Water Department,  
16 they have money, I guess escrow, or  
17 whatever, but they're not using it and  
18 they're -- they're in arrears, you know,  
19 with their money that they have. So I  
20 don't know what we're paying, for something  
21 that money that already should be there.  
22 You know.

23 So, you know, on behalf of, you know,  
24 to consider the people who really can't

1 afford it, you know, with these hikes.

2 Thank you.

3 HEARING OFFICER BROCKWAY: Thank you.

4 \* \* \*

5 (Reporter interruption.)

6 \* \* \*

7 MS. MACK: C-E-C-I-L-E. Mack,

8 M-A-C-K.

9 HEARING OFFICER BROCKWAY: Could you  
10 give us your name and spell it, please.

11 MS. CARTER: My name is  
12 (unintelligible) Grace Carter. And I've  
13 been living in Philadelphia all my life.  
14 And I'm married and my husband and I live in  
15 Philadelphia and we've raised one son and  
16 two daughters.

17 I'm here to represent Nicetown,  
18 Philadelphia. That's where I live at.

19 HEARING OFFICER BROCKWAY: Say it  
20 again.

21 THE WITNESS: Nicetown, Philadelphia.  
22 So -- Nicetown Philadelphia.

23 And I had -- this morning I was  
24 talking to a neighbor. I told them what I

1           might be doing, because I'm gonna come down  
2           here. And I worked last night, so I work  
3           during nights, and haven't had any sleep.  
4           But I'm gonna come down here and to see,  
5           you know, listen, see their conversation.  
6           And my neighbor said, well, I am really  
7           shocked. I mean, like, I want to know  
8           about this tax abatement, why they can't  
9           pay for this and can't pay for that. So I  
10          have a pamphlet here that -- written by --  
11          about the tax abatement. I think it's...  
12          The tax abatement written by  
13          (unintelligible) Jillian. And on page two  
14          it says here, Philadelphia is currently  
15          realizing an additional 48.1 million in  
16          annual real estate tax revenue from  
17          properties with expired abatements.

18                 So I'd like to know with that amount  
19          of money and plus 200 million dollars that  
20          the Philadelphia Water Department  
21          supposedly has, how do they not have enough  
22          money to do what they need to do with  
23          residence tax and increase the water bill  
24          for Philadelphia citizens? That's my main

1 question. I think they have enough money  
2 to do what they have to do, rather than  
3 increase the bills on the Philadelphia  
4 residents. That's my statement.

5 HEARING OFFICER BROCKWAY: Thank you.

6 \* \* \*

7 (Applaud.)

8 \* \* \*

9 HEARING OFFICER BROCKWAY: Is there  
10 anyone else who would like to speak?

11 \* \* \*

12 (Pause.)

13 \* \* \*

14 HEARING OFFICER BROCKWAY: At this  
15 point there are a couple of questions that  
16 could be answered by the Commissioner. If  
17 she will please come forward.

18 MS. McCARTY: Good morning, again.

19 And for those of you that walked in late, I  
20 do want to remind folks that there are folks  
21 over here that are happy to help you with  
22 any policies or any other issues you may  
23 have. And they're here to assist today.

24 So I heard a few comments about the

1           senior citizens. And I'm very sympathetic  
2           to seniors struggling for -- to afford  
3           their bills. And I want to make sure  
4           everyone knows that we do have a senior  
5           citizen discount. And, really, with our  
6           affordable rates program, we call TAP,  
7           customers only need to fill out one  
8           application, and then the Water Revenue  
9           Bureau figures out which is the best deal  
10          for you to -- what's the best plan. So it  
11          might be TAP or it might be based on a  
12          senior citizens discount.

13                 And I should remind folks that  
14                 currently the income level is \$31,500. But  
15                 that is being increased \$800 to \$32,300 for  
16                 the senior citizen discount, which is 25  
17                 percent of your bill.

18                 The other things I heard were  
19                 regarding -- well, the affordable rates.  
20                 If you are in TAP, please know that the  
21                 rate increase will not affect you. TAP is  
22                 based on your income. 0 to 50 percent is 2  
23                 percent of your income. 51 to 100 percent  
24                 is two and a half percent of your income.

1           And 101 to 150 percent is 3 percent of your  
2           income. So it's an income-based program.  
3           So the rate increase will not impact anyone  
4           that is in our TAP program. And if you're  
5           struggling to pay your bill, we urge you to  
6           apply for TAP, our affordable rates  
7           program.

8                     Again, if you're a senior, you don't  
9           have to figure out which one is best for  
10          you. Just put it in and we'll figure that  
11          out for you. We'll identify the best  
12          program.

13                    Some of the other things I heard were  
14          about the quality of our water, and there's  
15          some concern about the plant. The  
16          department works very hard to get the best  
17          quality water to all of our customers  
18          throughout the city. And we actually meet  
19          the Safe Drinking Water Act standards, as  
20          well as go above and beyond what is  
21          required. And, in fact, we join what's  
22          called Partnership For Safe Water, which is  
23          voluntary, and -- but it causes us to treat  
24          with an even higher standard. So we take

1           that very seriously. And we all drink the  
2           water, we all live in the city, and take  
3           great pride in the quality of water that we  
4           do provide to all of our customers.

5                     With the services, if you have a lead  
6           service, there's a loan to replace your  
7           service, a zero-interest five-year loan to  
8           replace your lead service. And we do water  
9           main relays, which is we're trying to  
10          increase the number of miles as part of  
11          this rate increase to increase the miles of  
12          main and sewer actually to be replaced.  
13          But if we come across a lead surface line,  
14          we replace that lead service line at that  
15          time when we replace the public water main.

16                    Lastly, paying for debt. So I  
17          believe it was Miss Ellis had mentioned  
18          paying for damages when the water main  
19          breaks. That is also one of the things we  
20          do to our claims process. So when a water  
21          main breaks there's damage to property,  
22          that is something that we will cover  
23          through our plans process.

24                    And there are -- customer service

1 issues are very, very important to us, and  
2 we recognize that there has been  
3 improvement needed. That's what -- as  
4 Joanne mentioned, we merged the call  
5 centers. So it's one call center. But  
6 right now today we do know that there will  
7 be challenges in getting through, and we  
8 are working through those challenges and  
9 are working on continuing improving that.  
10 It's not what we want to be today. We know  
11 that.

12 And then the bonds. We actually do  
13 sell bonds to fund our capital. We have 2  
14 million dollars in outstanding bonds. And  
15 capital budget hopes to be, this coming  
16 year, 353 million dollars. We do not  
17 receive any federal grants. We do get  
18 loans. But those have an interest rate.  
19 But we would -- our rates would be way much  
20 higher if we didn't fund our capital  
21 program through bonds.

22 And the rates stabilization fund and  
23 the tax bill. It's important to know that  
24 the general fund where taxes are collected

1           for real estate is separate and distinct  
2           from the Water Department. So the Water  
3           Department fund does not receive any  
4           subsidies to -- for the rate payers from  
5           the general fund. They are two separate  
6           funds. And so all the money that we  
7           require -- all the money that is collected  
8           from the water stormwater bill has to go  
9           back into operating and maintaining the  
10          infrastructure for the Water Department and  
11          that's paying for anything we do.

12                   And, lastly, the Monroe Street issue.  
13           I have recently been in contact --  
14           Mr. Becker has contacted me this past  
15           weekend, and there is a meeting set up with  
16           the Councilman. His concern was customer  
17           service, which, again, we always want to  
18           improve. But the Department cannot pay for  
19           private laterals. That is not what we're  
20           allowed to do. And if that were to occur,  
21           we would charge in doing that, it would be  
22           a larger rate increase.

23                   MR. BECKER: 40 percent is a lot of --

24                   MS. McCARTY: So that is -- I believe

1 I touched on all the issues.

2 HEARING OFFICER BROCKWAY:

3 Commissioner, I have one question  
4 from the questions this morning.

5 There was a gentleman who asked  
6 whether you test the water that's coming  
7 into the home from the lateral and water  
8 that's coming out of the tap. And if not,  
9 why not?

10 MS. McCARTY: So if -- well, yes, if  
11 customers have concerns about their water  
12 troubleshoot the problem with me. We do as  
13 part of lead and copper rules, test  
14 customers' water. Anyone that has a lead  
15 service line and wants to be a part of that  
16 program. We do test their water and, in  
17 fact, give them as an incentive, unless  
18 you're me -- you can get \$50 off your water,  
19 sewer, and stormwater bill if you -- for one  
20 month, if you participate in the lead and  
21 copper program.

22 And we take the quality of our water  
23 very seriously. And if a customer were  
24 outside of the lead and copper rules

1 program has a concern, we have a lot of  
2 information on the website about lead, and  
3 whether you can figure out -- how you could  
4 figure out if it's a lead service. And if  
5 you still can't figure it out, we will come  
6 out and help you identify that and test  
7 that water at the tap. So we do have  
8 monitoring throughout the system for water  
9 quality.

10 HEARING OFFICER BROCKWAY: Thank you,  
11 Commissioner.

12 Ma'am, do you have a question or  
13 comment?

14 MS. TURPIN: Yes, I have a question.

15 My question is, what is the problem  
16 of basing your tax streams on age rather  
17 than income? Because none of the programs  
18 that you have in effect that have an income  
19 ceiling is keeping up with inflation in the  
20 city. The cost is much greater.

21 See, I keep hearing you talk about,  
22 you know, that you have so much for this  
23 tier, this tier, and this tier. Everybody  
24 knows, when you get on a fixed income

1           you're buying power decreases. As you get  
2           older it decreases. Your bills go up. And  
3           you keep basing it on income. Whatever  
4           your income, 23,000, 31,000, means nothing  
5           in the neighborhoods that they gentrify  
6           when the houses cost a half million to a  
7           quarter million dollars. It means nothing.  
8           And the people who are being pushed out are  
9           the elderly who were there in the first  
10          place.

11                   \* \* \*

12                   (Applaud.)

13                   \* \* \*

14                   HEARING OFFICER BROCKWAY: I think  
15           that that's something that the Board -- as  
16           far as it concerns the water rates, I think  
17           the Board is going to take up issues like  
18           that and different positions are going to be  
19           presented. The Board doesn't have anything  
20           to say about property taxes, so we can't --

21                   MS. TURPIN: I'll be there next.

22                   HEARING OFFICER BROCKWAY: Okay.

23                   MR. ZERBAN: I'd like to add something  
24           as well.

1 We have had (inaudible.)

2 \* \* \*

3 (Reporter interruption.)

4 \* \* \*

5 HEARING OFFICER BROCKWAY: This is Mr.  
6 Zerban.

7 MR. ZERBAN: So the service -- the  
8 commissioner just mentioned that lots of  
9 people have tried to do it. Extremely  
10 ineffective. It's basically someone  
11 complain and then they revise the complaint  
12 and then they figure out whether it's worthy  
13 of their time or not. That's the one hand.

14 And another thing, she had mentioned  
15 it, they always test for lead and copper.  
16 Again, that's not true. There's way more  
17 contaminants that affect the health of  
18 citizens in Philadelphia than just lead and  
19 copper. Thank you.

20 HEARING OFFICER BROCKWAY: Thank you.  
21 This is a very much appreciated comment.  
22 I'm not going to let the Commissioner  
23 respond, because we're starting to get into  
24 different points of view and arguments. And

1           that's clearly what we're here for today, to  
2           hear from the public what your concerns are.  
3           And the Department has filed a lot of  
4           documentation and I imagine they will try to  
5           touch on some of these issues if they hadn't  
6           already touched on them.   So --

7           MS. McCARTY:   Well, I did not mean to  
8           imply that we only test for lead and copper.

9           HEARING OFFICER BROCKWAY:   No, no,  
10          that's not -- what he's saying is, I think,  
11          that you don't test for plastics in  
12          particular?

13          MS. TURPIN:   And another thing,  
14          they're not available as people think.

15          HEARING OFFICER BROCKWAY:   And other  
16          things that are not available?

17          MR. ZERBAN:   On the complaints from  
18          customers.

19          HEARING OFFICER BROCKWAY:   Oh, I see.

20          MR. ZERBAN:   (Unintelligible.)

21                         \*   \*   \*

22                         (Reporter interruption.)

23                         \*   \*   \*

24          HEARING OFFICER BROCKWAY:   I think

1           what he's saying is other things that are  
2           not covered on the program that has been  
3           referenced about lead and copper.

4                     Any other comments?

5           I just want to remind folks even for  
6           other -- (unintelligible). The Board is  
7           independent of the Water Department. So  
8           the Water Department has made its proposal  
9           for what the rates are going to be. The  
10          public advocate put forward its proposal  
11          for which should be done with that request.  
12          There will be technical hearings to go  
13          through the accounting, and then the Board  
14          will deliberate. I will make a report to  
15          the Board, but the Board itself makes the  
16          decision, ultimately. And we take very  
17          seriously what people say. One of my jobs,  
18          I think I made mention, is to collate all  
19          the public comments so to give the Board a  
20          feel for the direction and intensity of the  
21          public feeling. And with that we may close  
22          the hearing. Thank you.

23                     \*   \*   \*

24                     (Whereupon, the hearing concluded

1 at 11:21 a.m.)

2 \* \* \*

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C E R T I F I C A T I O N

I, Alice Mattes, a Court Reporter and Notary Public, do hereby certify the foregoing to be a true and accurate transcript of the proceedings in this matter, as transcribed from the stenographic notes taken by me.

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Alice Mattes  
Court Reporter  
Notary Public

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